Illinois Department of Revenue

INFORMATIONAL BULLETIN

September 1988

+ AUTOMOBILE RENTING TAX OVERPAYMENTS

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|TO:|All Registered +---+Automobile Renting Taxpayers

The Automobile Renting Occupation and Use Tax Act (ART), which went into effect January 1, 1982, imposes occupation and use taxes on the rental price of automobiles rented for one tax year or less. The rate of state tax is 5 percent of gross rentals. In addition to the state tax, municipalities and counties may impose a local auto renting tax and the Regional Transportation Authority and Metro-East Transit District may also impose one. Counties are not authorized to impose a county supplementary tax.

Some Taxpayers are Only" in this box, do Collecting Too Much Tax not collect local tax.

Of the only 1,200 municipalities and 102 counties in Illinois, only 259 municipalities and three counties have passed ordinances that impose automobile renting tax, and none have been imposed in transit districts.

Despite this, we have found that many

automobile renting taxpayers in localities that have not passed ART ordinances are collecting and paying local tax. Some are also collecting county supplementary tax.

How to Tell if You Should Be Collecting the Tax

+ Single Location Filer

If you so business from a single location (e.g., in only one municipality) and are in an area that has passed a local ordinance, you will find the rate and the effective date of the local tax in the box just above line 1, "Gross Receipts," of your ART-1 (automobile renting tax return). If it says "State Tax Only" in this box, do

+ Multiple Location Filer

If you do business from more than one location, you will find the local tax rates in the local "rate" column (number 6) of your ART-2 (automobile renting tax multiple location schedule). If there is no rate printed in this column, do not collect local tax (or county supplementary tax) in

What to Do About Tax Collected in Error

If you have not yet reported and sent the overcollected tax to the department, you may refund the overcharge to your customers. If you are unable to do so, you must send the overcollected tax to us.

If you have already sent the tax to us and wish to receive a refund of the overcollection, you may file a claim for credit. You must send us evidence either that you have refunded the overcollected tax to your customers, or that you have otherwise directly borne the burden of the tax. To apply for credit, write us at:

Sales Tax Division Claims and Refunds P. O. Box 19040 Springfield, Illinois 62794-9040

Questions?

If you have any questions or need additional information, you may call or write us at the address and phone numbers listed at the bottom of this page.

addition to state ART on sales made in that

location.

CALL: 1 800 732-8866 or FOR FOK INFORMATION

1 217 782-3336 WRITE: Illinois Department of Revenue

101 W. Jefferson St., P.O. Box 19044

Springfield, IL 62794-9044
